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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 19, 1998

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

Z3 CAPITAL CORPORATION,	CASE NO.	SEC970039
DAMON ARTIS,	CASE NO.	SEC970040
JASON CHRISHON,	CASE NO.	SEC970041
ANDREW COPPOLA,	CASE NO.	SEC970042
RICHARD GAVZIE,	CASE NO.	SEC970044
WILLIAM HALES,	CASE NO.	SEC970045
HENRY KOZIK,	CASE NO.	SEC970046
EMIL NASH,	CASE NO.	SEC970047
RICHARD NICHELS,	CASE NO.	SEC970048
CHARLES POST,	CASE NO.	SEC970049
CARY ROTHMAN,	CASE NO.	SEC970050
ASLO TAYLOR,	CASE NO.	SEC970051
PATRICK TUNNEY,	CASE NO.	SEC970052
and		
SIMON YEGER,	CASE NO.	SEC970053
Defendants		

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated July 8, 1997, the Commission,
among other things, assigned these cases to a Hearing Examiner to

conduct further proceedings in these matters, including a hearing, on behalf of the Commission. The hearing of these cases was continued from time to time and, at the conclusion of the hearing on February 25, 1998, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact, conclusions of law and sanctions. The Commission has been advised (i) that a copy of the Report was mailed to each Defendant on or about March 19, 1998, along with notice that written comments upon the Report could be filed within fifteen (15) days from that date, and (ii) that none of the Defendants has filed comments as of the date of this Order. Upon consideration of the Report and the evidence received in these cases, the Commission is of the opinion and finds:

1. An attested copy of the aforesaid Rule to Show Cause was duly served on each of the Defendants.

2. Z3 Capital Corporation ("Z3") filed several motions to continue the date to file responsive pleadings and the date of the hearing, but neither it nor any of the other Defendants filed a responsive pleading or appeared in their respective case.

3. During all relevant times, Z3 was a corporation.

4. All of the other named Defendants are natural persons ("individual Defendants").

5. Between November 1994 and July 1996, Z3 transacted business in this Commonwealth as a broker-dealer through the

individual Defendants, who transacted business in this Commonwealth as agents of Z3.

6. During the aforesaid period, Z3, through the individual Defendants, offered and sold to residents of this Commonwealth securities, to wit: "Triple Crown Units" issued by Z3 and shares of common stock issued by Stella Bella Corporation, U.S.A.

7. In the offer and sale of the aforementioned securities, Z3 obtained money by means of untrue statements of material fact and/or omissions to state material facts in order to make the statements made, in the light of the circumstances under which they were made, not misleading by (i) advising purchasers that the shares of Stella Bella stock were freely transferable when, in fact, the transferability of such shares was restricted; (ii) advising at least one purchaser that he would be able to legally sell the purchased shares after 12 months from the date of purchase when, in fact, the applicable holding period was 24 months; and, (iii) failing to disclose that, by Order of Prohibition issued by the Wisconsin Commissioner of Securities in January 1996, Z3 was prohibited from offering or selling in Wisconsin shares of Stella Bella Corporation, U.S.A. stock and from transacting business in Wisconsin as an unregistered broker-dealer.

8. Z3 was not registered as a broker-dealer under the Securities Act (§ 13.1-501 et seq. of the Code of Virginia)

("Act") when it offered and sold the aforesaid securities to the Virginia residents.

9. None of the individual Defendants was registered as an agent under the Act when he offered and sold the aforesaid securities to the Virginia residents.

10. None of the aforesaid securities was registered under the Act when it was offered and sold to the Virginia residents.

11. During the aforesaid period, Z3 obtained money in an unlawful manner, transacted business in this Commonwealth as an unregistered broker-dealer, employed unregistered agents, and offered and sold unregistered securities.

12. From time to time during the aforesaid period, each of the individual Defendants transacted business in this Commonwealth as an unregistered agent and offered and sold unregistered securities.

13. The acts described above constitute violations of § 13.1-502 (misstating or omitting to state a material fact), § 13.1-504 A (transacting business in the Commonwealth as an unregistered broker-dealer or agent, as the case may be), § 13.1-504 B (employing an unregistered agent), and § 13.1-507 (selling an unregistered security) of the Act, as follows:

a. Z3 committed three violations of § 13.1-502, 47 violations of § 13.1-504 A, 47 violations of § 13.1-504 B, and 47 violations of § 13.1-507.

b. Damon Artis committed 12 violations of § 13.1-504 A and 12 violations of § 13.1-507.

c. Jason Crishon, Richard Gavzie, Henry Kozik, Richard Nichels, Charles Post, Cary Rothman, Aslo Taylor, Patrick Tunney and Simon Yeger each committed one violation of § 13.1-504 A and one violation of § 13.1-507.

d. Andrew Coppola committed three violations of § 13.1-504 A and three violations of § 13.1-507.

e. William Hales committed two violations of § 13.1-504 A and two violations of § 13.1-507.

f. Emil Nash committed three violations of § 13.1-504 A and three violations of § 13.1-507.

14. Each Defendant should be permanently enjoined from future violations of the Securities Act, penalized for each violation committed, and jointly and severally assessed \$2,500 for the costs of the investigation. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-519 of the Code of Virginia, each Defendant is permanently enjoined from violating the provisions of § 13.1-504 or § 13.1-507 of the Code of Virginia; in addition, Z3 Capital Corporation is permanently enjoined from violating the provisions of § 13.1-502 of the Code of Virginia.

(2) Pursuant to § 13.1-521 of the Code of Virginia, the Defendants are penalized in the amounts set forth below on account of their respective violations of the Securities Act:

(a) Z3 Capital Corporation - \$5,000 per violation, for a total penalty of \$720,000;

(b) Damon Artis - \$2,000 per violation, for a total penalty of \$48,000;

(c) Jason Crishon, Richard Gavzie, Henry Kozik, Richard Nichels, Charles Post, Cary Rothman, Aslo Taylor, Patrick Tunney and Simon Yeger - \$2,000 per violation, for a total penalty of \$4,000 against each of these Defendants;

(d) Andrew Coppola - \$2,000 per violation, for a total penalty of \$12,000;

(e) William Hales - \$2,000 per violation, for a total penalty of \$8,000;

(f) Emil Nash - \$2,000 per violation, for a total penalty of \$12,000; and, the Commonwealth recover of and from each Defendant said amounts.

(3) Pursuant to § 13.1-518 of the Code of Virginia, the Defendants, jointly and severally, pay to the Commission \$2,500 as costs of the investigation.

(4) These cases are dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.